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Assessment of the Tourism Function in Region Development

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ABSTRACT

This article represents methodical approaches to estimation of tourism value and function in Russian regions development and contains some results of the carried-out assessment. The reasons about tourism mission for different types of territory exploitation and level of social and economic development, the idea of methods of tourist development of regions space are the core lines of the assessment framework. Selection of model regions due to their development types formed information basis for assessment. We determined specific Indicators and algorithm of an assessment to each model region. Results of the carried-out assessment allow rethinking the category of tourist and recreational potential of the territory from the standpoint of prospects and principles of a sustainable development. The technique of such impact assessment of tourism on regional development opens opportunity for public authorities to adopt correct strategic decisions according to the principles of Smart Development.

Keywords: Tourism, Regional Development, Regional Policy, Tourist Potential of the Territory, Typology of Tourist Regions

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Introduction

The extensive space of Russia is the reason of an extreme variety of an environment, historical and cultural resources for tourism development.

While searching for innovative ways to ensure regional growth public authorities often take the decision to develop tourism and recreation sector. The latter, undoubtedly, is of great socio-economic and ecological importance. Nevertheless the complex nature of tourism and the multiplicity of regional development factors, define the range of issues related not only to its development, but also to the consequences of its functioning which are specific to any region. Although domestic tourism studies (Zdorov, 2007, Kuchеров, 2009) tend mainly to emphasis the beneficial features of tourism there are some negative consequences also to consider.

Among the positive impact of tourism on regional development (increased domestic income and foreign currency earnings; economic multiplier effect; increased employment; improved infrastructure; World nature and culture heritage rising) we have to agree with those investigators (GhulamRabbany, Afrin, Rahman, Islam & Hoque, 2013; Sebastian & Rajagopalan, 2009; Yildiz, Celik, & Ozcan, 2011), who consider the negative features of tourism for regional development: leakage; increase tendencies to import; decline of traditional employment and seasonal unemployment growth; Increased living cost; effect on the quality of life of the host community; irritation and environmental effects; competitive with traditional land-using.

A leakage occurs in tourism when money is lost from a destination area. Profits of such huge international companies, as hotel chains are taken away from the local area. For example in Russia the leak is still high. Nowadays due to problems with the consumer goods production development, hotels and some other services providers have to buy equipment and goods abroad.

In the competition for land, resources and capital tourism displace other sectors of the economy. Tourism development can lead to the loss of traditional jobs, when workers move from region primary industries, from agriculture into service jobs in tourism. As a result production volume in traditional sector is reduced, while consumption grows due to the numerous tourist arrivals.

Large tourist traffic can push up the prices of goods and services, particularly when demand is high in peak season. Of course it is disadvantage for locals. Moreover, infrastructure capacity even in big cities, which are usually large tourist centers, isn't boundless. The life support infrastructure capacity, working at a limit even during a low season is overloaded during peak seasons. For example, such situation is observed in Saint Petersburg.

Intrusion on daily life, loss of privacy, and a sense of crowding contribute to ill feelings towards tourism development.

All above testifies to potentially competitive nature of tourism and traditional sector of economy joint development. That is why to avoid negative consequences it is very important to forecast and to plan the tourism mission in region development. Dealing with such procedures public authorities have to take into consideration not only the factors of competitiveness of the regional tourism product, the cost and budget effectiveness, but also its social and environmental performance in regional

development. They have to take in mind not only the task of regional growth, but regional development from the standpoint of the principles of Smart Growth and Sustainable Development.

Sometimes, governments of developing regions look for tourism very optimistic. They implement the active investment programs which aimed the tourism development and wear it as a priority. In certain cases, this approach may lead to fail a significant investment in others regional needs.

As was shown in a regional policy context by the OECD in its *Territorial outlook* (OECD, 2001) each region has a specific “territorial capital” which generates a higher returns for specific kinds of investments which are more suited for this territory. According to the concept of territorial capital the definition of development strategies for each region is determined by the local assets and potential and its wise exploitation (Capello & Nijkamp, 2009). Therefore, though tourism is a proper way for development and economic problems solution but not for all regions. Taking the above stated, the assessment of the role of tourist industry in regional development is particularly relevant.

1. Tourism mission in region development

To develop the assessment methodology we assume the following.

- The role of tourism in the region development is defined by a “territorial capital” and therefore its development strategy;
- While the regional development strategy formation, the definition of the development type is significant;
- Depending on the strategic alternatives for the region development, the stage of tourism and recreational land development been identified, tourism can carry out different missions:

- (1) Core role for region development (tourism as a sector of specialization)
- (2) Associated or accompanying role (recreation as additional area of the region economy)
- (3) Rehabilitation role (tourism as a means of region economy diversification and restructuring)

The discussion of a tourism mission in region economy structure formation and ensuring nature of development as a smart growth is defined by strategy of social and economic development of the region. Process of strategy development at all other is based on an identification of the key external and internal factors. It should be noted that identification of such factors is based on definition of type of regional development.

Therefore we consider the typology of regions as one of the key points of our assessment methodology.

2. Typology of Russian regions

Typology of regions as objects of management is one of the methods for administrative decisions justification regarding a choice of regional development priorities.

A number of typologies of regions, both complex and specialized have developed in Russia at present. The basis of some typologies constitutes economic indicators as factors of socio-economic development (Regions of Russia,2012), and others - social indicators (Bobylev, Zubarevich ,Soloviev, & Vlasov, (2011). As well typologies differ on goals. As optimum we assume a comprehensive typology using the methods of complex groups, in which key features of regional development constitute the basis for allocation of types. To define the type of region development we took the following criteria into account.

- resource potential of the region;
- level of socio-economic development of the region (the ratio of final consumption of households with subsistence minimum in the region);
- dynamics of indicators of regional economic development;
- place in the territorial division of labor (region mission);
- demographic developments and trends in the labor market;
- infrastructure provision;
- environmental conditions and land use.

Factor of environmental conditions and land use is very significant for the vast territory of Russia and reflects the degree of favorable climate, infrastructure, type of economic, etc.

As a result the following types of regions development were identified on the space of Russia (Figure 1).



Figure 1. The types of regions development in Russia

Advanced development regions: federal cities; wealthy oil and gas producing regions; high exploited regions of federal importance; weakly exploited export-resource regions.

Background regions: high exploited developed, urbanized industrial regions; high exploited semi-depressive industrial regions; exploited agricultural regions; weakly exploited regions.

Depressive regions: high exploited depressive regions; depressive South republics of high exploited zone; republics of weakly exploited zone.

3. The tourism potential regionalization

However within the same type of regions tourism can take different roles. It depends from tourism and recreation potential property, its diversity, natural and cultural heritage objects availability. The future tourist role also depends from the opportunity to realize this potential in the future, prospects for further development of the territory and its infrastructural arrangement for the respective cycles of recreational activities.

To determine the actual base for tourism development in regions the following must be considered:

- (1) Properties of the tourism resource potential;
- (2) Level of tourist destination marketing and effectiveness of the regional brand;
- (3) Economic efficiency of the tourism industry in the region;
 - the rate of tourism in the sectoral structure of economy (GRP, investments volume);
 - tax revenues from tourism in the regional budget;
 - employment in tourism;
 - tourism companies profitability and revenues in the region;
 - the development of tourism infrastructure in the region;
 - indirect effects of tourism on other sectors of regional production;
- (4) Social and ethnic environment.

The quality of tourism potential and perspective of destinations marketing have been determined allow us to consider the following spatial combination of regions with their inherent characteristics.

Russian Centre is an area currently most promising for recreational and tourist development. The territory is densely populated and urbanized and distinguished by maximum recreational needs of the population and has sufficient resources to meet them. More than half of the historical and cultural sites of national and world heritage focused on its territory is well known as in the country both abroad. This is recreational development and political stability territory.

European North of Russia is characterized by smaller and heterogeneously distributed recreational needs. Regions of this area have a variety of recreational opportunities to develop as nature-oriented forms of tourism and various forms of cultural tourism,

which, however, are not always available for development. As a consequence degree of recreational development varies from underdeveloped to develop.

European South of Russia is a contradictory characteristics zone, which includes South Russian region with a large recreational needs and limited resources and open areas of the Caucasus with excess resources. It combines the features both for health and wellness tourism development, and for natural-oriented, cognitive and ethnic tours. Regarding the latter, in its development a significant role play multi-ethnic character and the traditional hospitality of the population.

Siberia and the Far East. This is the largest, still closed for vast tourist invasion area, divided into two subzones: unpromising virtually untapped subzone (North Asia) and actively explore, with great prospects subzone (South Siberia). Natural conditions of the North Asian not favorable enough for the mass tourism development and the ubiquity of permafrost impedes the development of infrastructure. However, pristine and unique natural landscapes are preserved here, and cultural heritage is represented by exotic settlements of small indigenous peoples of the North.

This picture of the tourist potential regionalization does not exhaust a variety of perspectives for the tourism as a future source of economic growth and development. The main resources for the territorial development appear from human capital and investment. On the one hand Economic efficiency of the tourism industry in the region reflects its share in the total investment (Rodionova, Khusnutdinova & Valiev, 2013), the other - the investment attractiveness of the region is largely determined by the quality of human capital. The data of the rating agency Expert RA and the Federal State Statistics Service from 2005 till nowadays indicate the tourist part increasing in the investment potential (Investment ratings of Russian regions, 2012). The Expert RA agency, had composed the investment potential from such private capacities as following: labor, consumer, industrial, financial, innovation, infrastructure, institutional, natural resource, and since 2005 - the tourist. The analysis of a contribution of tourism in an investment rating shows a leading position of Krasnodar Krai, Moscow, St. Petersburg and the Moscow region. The Republic of Tatarstan, Sverdlovsk region and the Republic of Bashkortostan form "the second" leading regions on a tourist component of investment potential. Thus, it is possible to say that tourist potential forms some kind of post-industrial part of investment potential: this sphere is necessary for modern economy development which is forming in the large cities first of all.

4. The strategy of recreation space development

The next important feature that must be considered to fulfill imagination for tourist developing pattern in the region is the strategy of recreation space development. A few approaches of such strategies use to be common.

Strategy of radial development. It is suitable for development of already created and competitive in the world market the tourist centers (Moscow, St. Petersburg, the cities of "Golden Ring"). The maximum deepening of the tourist products range and its appeal is made at the initial stage of this strategy. Growth of professionalism of shots

of the tourist industry is provided. The following stage assumes gradual inclusion of objects visits in a tourist product for display as additional or obligatory excursion. Sense of this stage is to familiarize tourists with other objects of display and promote earlier unknown districts among them. Such objects, for example, concerning St. Petersburg are Vyborg, Novgorod, and the cities of Karelia. Further development of the combined tours means not only objects visit but also spending the night, to transform the tourist centers into large transit tourist points, directing tourist flows in the not familiar centers. As a result, their transformation into the autonomous tourist centers takes place. Thus this strategy allows forming and developing geography of the tourist centers, gradually covering the territory of the country.

Rather densely populated Southern Siberia, the European part of Russia can plan tourist regions development on the basis of *transport corridors strategy*. Usually the cities located in transport corridors are presented by large industrial centers of Russia, with rather developed infrastructure of hospitality, leisure and entertainments. This strategy promotes development of the tourist centers within country transport corridors borders with the subsequent coverage of suburbs and close located resort settlements.

Dot strategy is optimum for the tourist attraction of Kamchatka, Siberia, the Far East and the North of Russia, on extensive poorly populated space. Development of the dot tourist center happens independently, without communication with surrounding territories. Growth of transport expenses of tourists and decrease in level of comfort in service has no essential value as tourism is positioned as extreme, exotic in these areas. The share of such tours as a part of tourist flows is promptly grows according to the WTO data.

Another strategy for the development of domestic and inbound tourism is a *strategy to create tourism and recreational zones*. This innovative approach to the organization and development of the tourism sector on the national and regional levels as a form of economic development is used in Russia since 2005. Tourist and recreation zone is a kind of special economic zone. This is a part of the Russian Federation territory, which is determined by the Government of the Russian Federation and on which a special mode of doing business is to be realize (Federal Low No.116-FZ, 2005). Special economic zones are created for the development of manufacturing industries, high-tech industries, tourism, health- resort areas, port and transport infrastructure, technology development and commercialization of the results of new products. Tourist and recreational areas are located in the most picturesque regions with opportunities for development of beach, recreation, adventure travel, ecotourism and adventure sports.

Tourism and recreational special economic zone "Altai Valley" (Altai Republic) is located on the territory of the Altai Republic on the right bank of the Katun River and has an area of 855 hectares. Creation of a resort with opportunities for water sports is developing here because Katun is known as one of the most convenient locations for alloys and extreme water sports.

Tourist-recreational special economic zone "Baikal Harbor" is located in the Republic of Buryatia nearer the Baikal Lake. The modern hotel complex, the port, the center of

oriental medicine, sports complex is created within the zone: routes and nature trails are developing here.

Tourist-recreational special economic zone "Turquoise Katun" is located in the Altai region on the left bank of the Katun River and has an area of 3326 hectares. A resort and recreation complex, focused on maximum use of natural resources potential and terrain with the campsites, ski slopes, arrangement of hunting grounds and other facilities with a total 3.5 thousand tourist are to be create here.

Tourist- recreational zone " New Anapa " (Krasnodar region) is located between the Black Sea and Kiziltashsky and Bugaz estuaries on the urban district Anapa on a plot of 882 hectares. " New Anapa " provides realization of the idea of the resort, offering the possibility for a relaxing holiday in a variety of formats : beach vacation on an "all inclusive", a cultural holiday with children, wellness and spa therapy, timesharing apartments , detached mini - hotels and also active sports vacation: golf, tennis , water park , swimming pools, sailing, windsurfing.

"Grand Spa Yutsa" is a special economic zone which is located in the Stavropol region on the Mount Yutsa and its surroundings, 10 km away from Pyatigorsk and 35 km from the airport Mineral Waters. It has an area of 843 hectares. It was formed in order to create a modern spa resort, improve service, to provide greater flexibility in wellness programs, the formation of a wide range of entertainment options for leisure and related species tourism development.

"Gate of Baikal" zone (Irkutsk region) is located on the coast of Lake Baikal, near the village of Big Goloustnoye. It was planned for infrastructure construction and development and reconstruction of airport in Irkutsk, business facilities, medical and health, sports and entertainment destination.

Tourist-recreational special economic zone on the Russian island (Primorsky Krai) is situated on a plot of three thousand hectares. The international business center, several hotels, oceanarium and Pacific Education and Research Center was created here.

5. Results

A comprehensive analysis of all factors been mentioned above provides a basis to highlight perspective role of tourism in regional development areas. For Russia, this is as follows (Figure 2.)

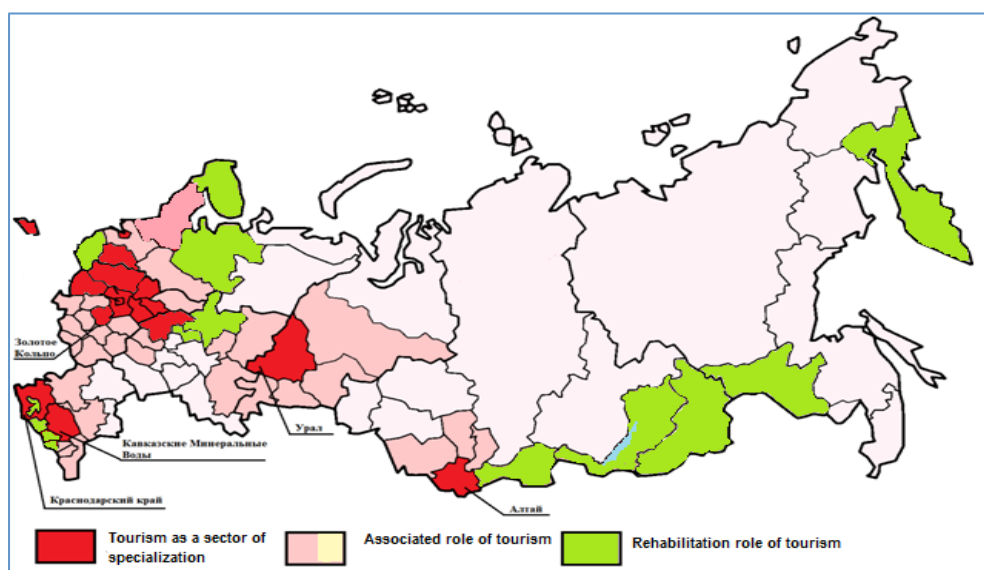


Figure 2. The tourism role in region development

Despite the common opinion, for the most regions (nearly 50% from 83 regions of Russia) covering more than 70% of the country territory tourism plays the accompanying role. And tourism main function in regional development is economic diversification, not specialization. We have to mark that both Saint Petersburg and Moscow despite their world tourist centers mission and huge investments in tourist sphere develop tourism as additional area of the region economy. Only 20% of the regions develop and are able to develop tourism as the sector of specialization. Tourist areas of specialization must develop with regard their recreational and tourist capacity. These are regions where the special tourist and recreational economic zone are located. Their tourist mission is closely connected with natural and recreational potential properties. Another group of regions developing tourism as the sector of specialization are old industrial regions, with lovely historic and cultural potential and well known even in international tourism markets. Rehabilitative function of tourism is perspective for a quarter of regions. Those are the most depressed regions of the lot. The future development of tourism in such regions depends on their market competitiveness of tourism products and requires monitoring by the authorities.

Conclusion

Tourist and recreational function is peculiar to each region, but not every region is suitable for tourist and recreation mission. Architecture of the assessment methodology should take into consideration not only the factors of competitiveness of the regional tourism product and the cost and budget effectiveness, but also its social and environmental performance in regional development. Obviously, the weight of these factors in the impact assessment of tourism on regional development will be different for different types of regional development. The selection of model regions according to the type of development forms information base for the tourism impact to regional development evaluation. Indicators and evaluation algorithm are specific to

each model of the region. The results of the assessment overestimated the meaning of the tourism potential of the territory from the standpoint of the principles of Smart Growth and Sustainable Development. The methodology of the assessment of the tourism impact on the regional development we have introduced opens the opportunity for the public authorities to make the correct strategic decisions in regional policy to obtain sustainable and smart growth.

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